THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult the stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Anhui Conch Material Technology Co., Ltd., you should at once hand this circular, together with the accompanying proxy form to the purchaser(s) or the transferee(s), or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

CONCH

Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 2560)

REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND SERVICES FRAMEWORK AGREEMENT; AND NOTICE OF EXTRAORDINARY GENERAL MEETING

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Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of revision of annual cap

A notice convening the EGM of Anhui Conch Material Technology Co., Ltd. to be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the PRC at 10 a.m. on Friday, 4 September 2026 is set out on pages 47 to 49 of this circular.

The relevant proxy form for use at the EGM is enclosed with this circular and such proxy form is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com). If you intend to appoint a proxy to attend the EGM, you shall complete and return the relevant proxy form enclosed herewith in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be) (i.e. before 10 a.m. on Thursday, 3 September 2026). Completion and return of the relevant proxy form will not preclude you from attending and voting in person at the meeting.

18 August 2026

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Anhui Tech Import & Export"	Anhui Technology Import & Export Company Limited* (安徽省技術進出口股份有限公司), a limited company established under the laws of the PRC, which is held as to approximately 47.95% by Anhui International Trade Group (Holding) Co. Ltd.* (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	Anhui Conch Material Technology Co., Ltd. (安徽海螺材料科技股份有限公司), a joint stock limited liability company established under the laws of the PRC, with its H Shares listed on the main board of the Stock Exchange (stock code: 2560)
"Conch Holdings"	Anhui Conch Holdings Company Limited* (安徽海螺集團有限責任公司), a limited liability company established under the laws of the PRC
"Conch Tech Innovation"	Anhui Conch Technology Innovation Material Co., Ltd.* (安徽海螺科創材料有限責任公司) (formerly known as Anhui Conch Investment Co., Ltd.* (安徽海螺投資有限責任公司)), a limited liability company established under the laws of the PRC, which is wholly-owned by Conch Holdings as at the Latest Practicable Date, and is one of the controlling shareholders of the Company holding approximately 36.47% equity interest in the Company
"Conch Venture"	China Conch Venture Holdings Limited (中國海螺創業控股有限公司), a listed company established under the laws of the Cayman Islands, and the shares of which are listed on the Stock Exchange (stock code: 586)

"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held on 4 September 2026 to approve, among other things, the Supplemental Agreement and the Revised Annual Cap
"Existing Annual Cap"	the existing annual cap of RMB90.0 million for the transactions contemplated under the Export Sales and Services Framework Agreement for the year ending 31 December 2026
"Export Sales and Services Framework Agreement"	the framework agreement for the export of products entered into between Anhui Tech Import & Export and the Company on 27 November 2025, with major terms as set out in the Circular
"Export Services"	export services provided by Anhui Tech Import & Export under the Export Sales and Services Framework Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board comprising all independent non-executive Directors to advise the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Revised Annual Cap
"Independent Financial Adviser" or "Pelican"	Pelican Financial Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the terms of the Supplemental Agreement and the Revised Annual Cap

"Independent Shareholder(s)"	Shareholders other than Conch Tech Innovation and its associates
"Independent Third Party(ies)"	any entity(ies) or person(s) who is not a connected person of the Company or an associate of any such entity(ies) or person(s) within the meanings ascribed thereto under the Listing Rules
"Latest Practicable Date"	13 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"PRC" or "China"	the People's Republic of China
"Products"	the Group's products to be exported under the Export Sales and Services Framework Agreement, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials
"Revised Annual Cap"	the proposed revised annual cap of RMB180.0 million for the transactions contemplated under the Export Sales and Services Framework Agreement (as amended by the Supplemental Agreement) for the year ending 31 December 2026
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	the ordinary share(s) with a nominal value of RMB1.00 each in the share capital of the Company, comprising Domestic Share(s) and H Share(s)
"Shareholder(s)"	the holder(s) of Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Supplemental Agreement"	the supplemental agreement to the Export Sales and Services Framework Agreement
"%"	per cent

Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2560)

Executive Directors
Mr. Chen Feng *(General Manager and Chief Executive Officer)*
Mr. Bai Lin

Non-executive Directors
Mr. Jin Feng *(Chairman of the Board)*
Mr. Feng Fangbo *(Vice-Chairman of the Board)*
Mr. Zhao Hongyi *(Vice-Chairman of the Board)*
Mr. Fan Haibin

Independent non-executive Directors
Mr. Li Jiang
Mr. Chen Jiemiao
Ms. Xu Xu
Ms. Zeng Xiangfei

Headquarter and Principal Place of Business in the PRC
No. 1-301, G Zone, Jiangbei New District
Construction Headquarters
150 Meters South of Tongjiang Avenue
Wanjiang Jiangbei Emerging
Industry Concentration Zone
(except the Trusteeship Area)
Wuhu City, Anhui Province
China

Principal Place of Business in Hong Kong
Room 1920, 19/F
Lee Garden One, 33 Hysan Avenue
Causeway Bay, Hong Kong

Anhui Province, the People's Republic of China
18 August 2026

To the Shareholders

Dear Sir/Madam,

REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND SERVICES FRAMEWORK AGREEMENT;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and to provide you with all information reasonably necessary, to enable you to make informed decisions on whether to vote for, against or abstain for the following proposed resolutions on the EGM.

Reference is made to the circular of the Company dated 15 December 2025. On 27 November 2025, the Company entered into the Export Sales and Services Framework Agreement with Anhui Tech Import & Export, in relation to the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials, for a term from 1 January 2026 to 31 December 2026, with the Existing Annual Cap of RMB90.0 million.

According to the unaudited management accounts of the Group, the actual transaction amount for the six months ended 30 June 2026 amounted to approximately RMB70.4 million. Since it is expected that the aggregated actual transaction amount under the Export Sales and Services Framework Agreement for the year ending 31 December 2026 will exceed the Existing Annual Cap, the relevant parties intend to adjust the relevant annual cap upwards.

THE SUPPLEMENTAL AGREEMENT

On 10 July 2026, the Company entered into the Supplemental Agreement with Anhui Tech Import & Export to revise the Existing Annual Cap for the year ending 31 December 2026 under the Export Sales and Services Framework Agreement from RMB90 million to RMB180 million. Among other things, the Revised Annual Cap is subject to the approval of the shareholders' general meeting of the Company.

Except for the revision of the Existing Annual Cap as set out above, all other terms under the Export Sales and Services Framework Agreement shall remain unchanged and in full force and effect. Set forth below are the principal terms of the Export Sales and Services Framework Agreement, details of which are set out in the Circular.

Products to be sold

The Group will enter into individual export sales and/or services sub-contracts with Anhui Tech Import & Export regarding the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials (the "**Products**"), according to the actual needs for products, products' specifications, settlement prices for products and other specified arrangements of overseas customers of the Group.

Services to be provided by Anhui Tech Import & Export

Anhui Tech Import & Export provides export services for the Products, which covers mainly export agency services, custom filing and clearance, settlement services (結算服務) and arrangements for transportation services for the export of Products, if so required ("**Export Services**").

The Group will enter into individual sub-contracts with Anhui Tech Import & Export regarding the sales of import & export service according to their respective actual needs for import & export.

The major terms of the individual sub-contracts shall be in line with those of the Export Sales and Services Framework Agreement.

Pricing policy and internal control

(a) Resale of Products

The settlement sum to be paid by Anhui Tech Import & Export for the resale of Products under the Export Sales and Services Framework Agreement will be determined based on arm's length negotiation between the Group and Anhui Tech Import & Export, taking into account of the sales contract sum for the Products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on fair basis.

The range of benchmark prices for intermediates products (alcohol amine, polyether monomers and polycarboxylic acid mother liquor for concrete admixtures), cement admixture products and concrete admixture products will be determined based on the market price of raw materials, production costs, variation of different specification, the expected gross profit margin, product market dynamics, industry trends and inventory levels. Pricing for sale of intermediates products will be set weekly and submitted for approval by the head of sales department of the Company for implementation every Monday. Pricing for sale of cement admixture products and concrete admixture products will be set monthly for implementation on the first day of each month.

Internal control

The actual prices of the Products normally align with the abovementioned pricing policies. Pricing going beyond the range of benchmark prices (under or above the price range) in routine or periodically as mentioned above shall be approved by the pricing management committee.

The pricing management committee primarily consists of the heads of the sales department, the finance department and the supply department of the Company as well as persons in charge of the relevant business. Transactions with pricing above the benchmark prices will be executed. In assessing the fairness and reasonableness of the pricing below the benchmark prices, the pricing management committee will evaluate, among other factors, shipment volume, the strategic significance of the transaction, and whether there remains certain room for profitability.

The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

Having considered that (i) the pricing under the resale of Products has considered product market dynamics and industry trends and is therefore in line with the market prices of similar products; (ii) the pricing policies also take into account the Company's production costs, thereby ensuring a reasonable gross profit margin; and (iii) the pricing is subject to review by the pricing management committee and the persons in charge of the sales department of the relevant subsidiaries engaging in the relevant sales, the Board is of the view that the pricing policies for the transactions contemplated under the resale of Products are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

(b) Export Services provided by Anhui Tech Import & Export

The service fee for providing export services for the Products will be determined on arm's length basis with reference to prevailing market rates available from independent third parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

Before entering into any transactions under the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will conduct research on the prevailing market rates of similar export services. The comparable conditions include: (i) the settlement currency shall be Renminbi; (ii) the export service provider shall bear ocean freight rate risks at its own cost; and (iii) the service provider shall complete payment for the products within the time frame stipulated in the relevant agreement and shall bear the credit risks associated with the end customers at its own costs.

Internal control

Before entering into any transactions in relation to the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will make reference to the pricing and terms between the Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

Having considered that (i) the abovementioned pricing policies have taken into account of prevailing market rates and the Company has adopted relevant internal control measures as described above; (ii) the terms and conditions upon which such rate is based are comparable to market norms and do not impose any additional risks on the Group; and (iii) the Group retains the discretion to engage other service providers should the terms become less favourable, the Board is of the view that the pricing policies for the transactions contemplated under the Export Services are fair and reasonable, on normal commercial terms or better and in the interests of the Company and its Shareholders as a whole.

REVISION OF THE ANNUAL CAP

Historical amount and the existing annual cap

For the six months ended 30 June 2026, the historical transaction amounts (tax inclusive) between Anhui Tech Import & Export and the Group in relation to the resale of products amounted to approximately RMB70.4 million. For the year ending 31 December 2026, the Existing Annual Cap under the Export Sales and Services Framework Agreement is RMB90 million. The transaction amount of the period from 1 January 2026 to the Latest Practicable Date did not exceed the Existing Annual Cap, and it is expected that the transaction amount for the period from 1 January 2026 to the date of EGM will not exceed the Existing Annual Cap.

Basis of determination and reasons for the revised annual cap

The Revised Annual Cap of RMB180 million is determined with reference to (among others) the following factors and assumptions:

(a) Resale of Products

(i) the historical transaction amount of the Products sold to Anhui Tech Import & Export of approximately RMB70.4 million for the six months ended 30 June 2026, and payment and settlement terms under the Export Sales and Service Framework Agreement, which are determined based on the pricing policy as mentioned above;

(ii) the expected sales amount of the Products to be exported to overseas market, where

— a total of approximately RMB104.5 million for covering existing ultimate overseas customers in overseas markets including but not limited to France, Switzerland, Taiwan, Turkey, Saudi Arabia and Uzbekistan for the rest of 2026, taking into account that (a) the historical transaction amount of the Products sold to Anhui Tech Import & Export for covering existing ultimate overseas customers for the six months ended 30 June 2026 was approximately RMB70.4 million; and (b) the recurring purchases and incremental orders from the existing ultimate overseas customers are expected to grow steadily in the rest of 2026;

— a total of approximately RMB4.0 million for covering two potential new ultimate overseas customers in Turkey and Vietnam for the rest of 2026. Such estimation is made based on the expected demand for the Products of the potential new ultimate overseas customers for the rest of 2026;

— a buffer of approximately RMB1.1 million for covering (a) unexpected increase in demand from the existing ultimate overseas customers and the two potential new ultimate customers; and (b) unexpected new ultimate overseas customers for the rest of 2026; and

(iii) the assumption that there will be no other material changes to (a) general socio-economic environment of the PRC and the location of potential overseas customers of the Group that may affect the demand of construction projects; and (b) the expected demand of existing and new overseas customers of the Group for the Products under their procurement plan for the rest of 2026.

The Company expects that the general socio-economic environment of the PRC will exhibit the following characteristics: the economy will maintain steady progress with continued improvement; the modernization of the industrial system will advance incrementally; infrastructure capacity will be steadily enhanced; urban-rural and regional development will become more balanced; and investment in scientific research and innovation will remain stable, with tangible progress being achieved.

(b) Export Services provided by Anhui Tech Import & Export

The fees for the Export Services provided by Anhui Tech Import & Export to the Group for the year ending 31 December 2026 in aggregate are expected to be no more than RMB400,000.

The transactions relating to the Export Services provided by Anhui Tech Import & Export are different in nature from the resale of Products under the Export Sales and Services Framework Agreement. The expected fees for Export Services for the year ending 31 December 2026 are below HK$3 million and should be fully exempted pursuant to Rule 14A.76(1) of the Listing Rule. The information regarding the transactions relating to Export Services is disclosed herein for completeness and shareholders' information purposes only.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL AGREEMENT AND THE REVISED ANNUAL CAP

Anhui Tech Import & Export was established in 1985 with more than 400 employees. It is a licensed and experienced import and export company in the PRC and experienced in providing general import and export related services with scale. Based on the information available on the website of Anhui Tech Import & Export as at the Latest Practicable Date, Anhui Tech Import & Export achieved a total import and export volume of US$1.2 billion and sales revenue of RMB12 billion in 2025. The Group and Anhui Tech Import & Export have cooperated for 3 years. In light of its experience, scale of operations, service capabilities, and the established cooperative relationship between the Group and Anhui Tech Import & Export, the transactions contemplated under the Export Sales and Services Framework Agreement and the Supplemental Agreement could ensure smooth clearance process for our products like cement admixture and concrete admixture, provide timely services for delivery of our products to end customers in order to accommodate the operating needs of the Group, catering for day-to-day business and administrative schedule. The Group will in turn benefit from organised, efficient and cost-effective export sales and services, which helps enhance the market competitiveness and facilitates plan to expand into the overseas market. For sale of Products to Anhui Tech Import & Export, the terms are comparable to other Independent Third Parties, and where credit terms are provided for products sold, Anhui Tech Import & Export is with higher credibility than others taking into account of the related party relationship with the Group with long term history, which lowers the Group's credit risks of products which are ultimately sold to overseas markets. For Export Services, the Group compare terms of the resale of products and export services with Independent Third Parties from time to time and it may at its discretion to opt for another service provider for similar services if the terms offered by Anhui Tech Import & Export are less favourable than those offered by the Independent Third Parties.

After considering that (i) the operational expertise and capabilities of Anhui Tech Import & Export are adequate to support the Group's daily business and administrative requirements; (ii) the established cooperation between the Group and Anhui Tech Import evidences the service reliability and the operational synergy that ultimately strengthen the Group's overall competitiveness; (iii) the pricing policies for the resale of Products, which are subject to regular monitoring and review by the pricing management committee, the pricing policies for the Export Services and the relevant internal control measures ensure the transactions are conducted on normal commercial terms and are fair and reasonable in all respects, the Board is of the opinion that the arrangements can safeguard the interests of the Company and its Shareholders as a whole.

Considering the historical transaction amount generated during the six months ended 30 June 2026, and based on the judgement and communication with the ultimate overseas customers on the expected sales amount of the Products to be exported to overseas markets under the Export Sales and Services Framework Agreement as well as the recent increase in the number of ultimate overseas customers, it is expected that the total transaction amount under the Export Sales and Services Framework Agreement will exceed the Existing Annual Cap. Therefore, it is necessary for the relevant parties to enter into the Supplemental Agreement to revise the Existing Annual Cap for the year ending 31 December 2026.

Mr. Jin Feng (being a director or senior management of certain other subsidiaries of Conch Holdings) is regarded to be materially interested in the Supplemental Agreement and therefore has abstained from voting on the relevant board resolution.

Save as disclosed above, no other Directors have material interests in the Supplemental Agreement. The Directors (excluding Mr. Jin Feng, who shall abstain from voting on the relevant Board resolution), including the independent non-executive Directors who have formed their opinion after reviewing the advice from the Independent Financial Adviser, are of the view that the Supplemental Agreement and the Revised Annual Cap have been entered into in the ordinary and usual course of business of the Group on normal commercial terms, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials.

INFORMATION ON ANHUI TECH IMPORT & EXPORT

Anhui Tech Import & Export is a licensed import and export company in the PRC and experienced in providing general import and export related services, which is held as to 47.95% by Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date.

To the best information and knowledge of the Directors, as at the Latest Practicable Date, (i) each of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安得企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre (Limited Partnership) (安徽順安易企業管理中心(有限合夥)), Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)) Anhui Shun An He Enterprise Management Centre (Limited Partnership) (安徽順安和企業管理中心(有限合夥)), Anhui Shun An Heng Enterprise Management Centre (Limited Partnership) (安徽順安恒企業管理中心(有限合夥)), Anhui Shun An Sheng Enterprise Management Centre (Limited Partnership) (安徽順安盛企業管理中心(有限合夥)) and Zuo Bing (左兵) held as to 12.04%, 8.53%, 7.68%, 7.25%, 8.14%, 7.78% and 0.63% of the interests in Anhui Tech Import & Export, respectively; and (ii) the respective managing partners of Anhui Shun An De Enterprise Management Centre (Limited Partnership) (安徽順安得企業管理中心(有限合夥)), Anhui Shun An Yi Enterprise Management Centre (Limited Partnership) (安徽順安易企業管理中心(有限合夥)), Anhui Shun An She Enterprise Management Centre (Limited Partnership) (安徽順安舍企業管理中心(有限合夥)), Anhui Shun An He Enterprise Management Centre (Limited Partnership) (安徽順安和企業管理中心(有限合夥)), Anhui Shun An Heng Enterprise Management Centre (Limited Partnership) (安徽順安恒企業管理中心(有限合夥)), and Anhui Shun An Sheng Enterprise Management Centre (Limited Partnership) (安徽順安盛企業管理中心(有限合夥)) are Zhuang Binbing (莊斌兵), Diao Rong (刁嶸), Sun Hongqing (孫宏慶), Wang Jinggan (汪精幹), Hua Tian (華甜), and Wang Heng (王恒), respectively.

To the best information and knowledge of the Directors, as at the Latest Practicable Date, the remaining 45% in Anhui International Trade Group (Holding) Co., Ltd. (安徽國貿集團控股有限公司) was held as to 39.71% by Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd. (安徽省國有資本運營控股集團有限公司) and 5.29% by Anhui Provincial Department of Finance (安徽省財政廳), respectively.

LISTING RULES IMPLICATIONS

Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company as at the Latest Practicable Date, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by Conch Venture. Conch Holdings holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co., Ltd., which holds 47.95% equity interest of Anhui Tech Import & Export as at the Latest Practicable Date. Anhui Tech Import & Export is hence a connected person of the Company. The transactions contemplated under the Export Sales and Services Framework Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual cap for the continuing connected transactions, the Company must re-comply with the provisions under Chapter 14A of the Listing Rules for the relevant connected transactions.

As the highest of all applicable percentage ratios (other than the profit ratio) under the Listing Rules in respect of the Revised Annual Cap is more than 5%, and there exist no exemptions, the Supplemental Agreement and the Revised Annual Cap are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

EGM

The EGM will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the PRC at 10 a.m. on Friday, 4 September 2026 . The notice of the EGM is set out on pages 47 to 49 of this circular.

Shareholders who intend to attend the EGM by proxy are required to complete and return the accompanying proxy form, in accordance with the instructions printed thereon as soon as possible. For the proxy forms to be valid, they must be deposited with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the office of the Board, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Domestic Shareholders), not later than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be), that is, before 10 a.m. on Thursday, 3 September 2026 . After completing and returning the proxy form, you may still attend the EGM and vote in person.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the qualification of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 1 September 2026 to Friday, 4 September 2026, during which period no transfer of Shares will be registered. In order for Shareholders to be eligible to attend and vote at the EGM, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of Shareholders of H shares), or the office of the Board of the Company, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Shareholders of domestic shares) for registration not later than 4:30 p.m. Monday, 31 August 2026. Shareholders whose names are listed on the register of members of the Company on Friday, 4 September 2026 are entitled to attend and vote at the EGM.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll.

Each of Conch Tech Innovation and its associates will abstain from voting on the resolution(s) in respect of the Supplemental Agreement and the Revised Annual Cap at the EGM. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, Conch Tech Innovation and its associates were interested in, in aggregate, 211,470,000 Shares (comprising 198,470,000 Domestic Shares and 13,000,000 H Shares), representing approximately 36.47% of the issued share capital of the Company.

Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

RESPONSIBILITY STATEMENT

This circular, for the information contained in which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement herein misleading.

RECOMMENDATIONS

The Directors are of the view that the resolution proposed for consideration and approval by the Shareholders at the EGM is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of the EGM.

Your attention is drawn to (i) the letter from the Independent Board Committee containing its recommendations to the Independent Shareholders on the terms of the Supplemental Agreement and the Revised Annual Cap; and (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice in respect of the fairness and reasonableness on the terms of the Supplemental Agreement and the Revised Annual Cap. The Directors and the Independent Board Committee are of the view that the Supplemental Agreement was entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and are in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors and the Independent Board Committee recommend the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

By order of the Board
Anhui Conch Material Technology Co., Ltd.
Jin Feng
Chairman of the Board and Non-executive Director

Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2560)

18 August 2026

To the Independent Shareholders

Dear Sir or Madam,

REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND SERVICES FRAMEWORK AGREEMENT

We refer to the circular dated 18 August 2026 (the "**Circular**") of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as the Independent Board Committee to consider and advise you as to whether, in our opinion, the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable so far as the Independent Shareholders are concerned. Pelican has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the fairness and reasonableness of the terms of the Supplemental Agreement and the Revised Annual Cap. Details of the advice from the Independent Financial Adviser, together with the principal factors taken into consideration in arriving at such advice, are set out on pages 19 to 38 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 5 to 16 of the Circular and the additional information set out in Appendix I of this circular.

Having considered (i) the terms of the Supplemental Agreement; (ii) the discussion with the management of the Company about the background to and nature of the continuing connected transactions under the Export Sales and Services Framework Agreement with Anhui Tech Import & Export; (iii) the reasons for the Revised Annual Cap and the basis upon which the Revised Annual Cap has been determined; (iv) the business and financial effects of the continuing connected transactions under the Export Sales and Services Framework Agreement with Anhui Tech Import & Export to the Group; and (v) the interests of the Independent Shareholders and the advice given by the Independent Financial Adviser and the principal factors and reasons taken into consideration by them in arriving at their advice, we are of the view that the Supplemental Agreement was entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the terms of the Supplemental Agreement and the Revised Annual Cap are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
Anhui Conch Material Technology Co., Ltd.
Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei
Independent Non-executive Directors

Set out below is the text of a letter received from Pelican Financial Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the Revised Annual Cap for the purpose of inclusion in this circular.

PELICAN FINANCIAL
百 利 勤 金 融

PELICAN FINANCIAL LIMITED

28/F Lee Garden Two, 28 Yun Ping Road, Causeway Bay, Hong Kong

18 August 2026

To the Independent Board Committee and the Independent Shareholders of
Anhui Conch Material Technology Co., Ltd.

Dear Sirs,

REVISION OF THE ANNUAL CAP UNDER THE EXPORT SALES AND SERVICES FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap), details of which are set out in the letter from the Board (the "**Board Letter**") contained in the circular of the Company dated 18 August 2026 (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

Reference is made to the circular of the Company dated 15 December 2025 in respect of the Export Sales and Services Framework Agreement, and the announcement of the Company dated 10 July 2026 (the "**Announcement**") in respect of the Supplemental Agreement and the Revised Annual Cap.

On 27 November 2025, the Company and Anhui Tech Import & Export entered into the Export Sales and Services Framework Agreement in relation to the export of the Group's products, including but not limited to admixture products (including cement admixtures and concrete admixtures) and their respective in-process intermediaries, and raw materials (the "**Products**") for a term from 1 January 2026 to 31 December 2026 ("**FY2026**"). Pursuant to the Export Sales and Services Framework Agreement, the Existing Annual Cap for FY2026 is RMB90.0 million.

According to the unaudited management accounts of the Group, the actual transaction amount for the six months ended 30 June 2026 amounted to approximately RMB70.4 million. Based on the expected transaction amount for the remaining period of FY2026, the aggregate transaction value under the Export Sales and Services Framework Agreement for FY2026 is expected to exceed the Existing Annual Cap. In this regard, on 10 July 2026, the Company entered into the Supplemental Agreement (which should be read in conjunction with the terms and conditions of the Export Sales and Services Framework Agreement) with Anhui Tech Import & Export pursuant to which the parties agreed to revise the Existing Annual Cap. Save for the aforesaid revision, all other terms and conditions of the Export Sales and Services Framework Agreement shall remain the same.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Conch Holdings holds 100% equity interest in Conch Tech Innovation and Conch Tech Innovation holds approximately 36.47% equity interest of the Company, as such, Conch Holdings is a substantial shareholder and a controlling shareholder of the Company. Conch Holdings is beneficially owned as to 51% by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (through its wholly-owned state-owned enterprise) and 49% by Conch Venture. Conch Holdings holds approximately 55% equity interest of Anhui International Trade Group (Holding) Co. Ltd.[#] (安徽國貿集團控股有限公司), which holds approximately 47.95% equity interest of Anhui Tech Import & Export as at the Latest Practicable Date. Anhui Tech Import & Export is therefore a connected person of the Company under the Listing Rules. As such, the transactions contemplated under the Export Sales and Services Framework Agreement and the Supplemental Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual cap for the continuing connected transactions, the Company must re-comply with the provisions under Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one or more of the applicable percentage ratios (other than the profits ratio) with reference to the Revised Annual Cap exceed 5%, the Supplemental Agreement and the Revised Annual Cap are subject to the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Jin Feng (being a director or senior management of certain other subsidiaries of Conch Holdings) is regarded to be materially interested in the Supplemental Agreement and therefore has abstained from voting on the relevant board resolution. Save as disclosed above, to the best knowledge, information and belief of the Company having made all reasonable enquiries, no other Directors have material interest in the Supplemental Agreement.

Each of Conch Tech Innovation and its associates will abstain from voting on the resolution(s) in respect of the Supplemental Agreement and the Revised Annual Cap at the EGM. Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution to be proposed at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei, has been formed to advise the Independent Shareholders on the Supplemental Agreement and the transactions contemplated thereunder, including the Revised Annual Cap, after taking into account the respective advice of the Independent Financial Adviser.

We have been appointed as the Independent Financial Adviser for the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap) to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Agreement and the transactions contemplated thereunder, including the Revised Annual Cap, and such appointment has been approved by the Independent Board Committee.

OUR INDEPENDENCE

Pelican Financial Limited is not connected with the Directors, chief executive or substantial shareholders of the Company or any of their respective associates and therefore is considered suitable to give independent advice to the Independent Board Committee and the Independent Shareholders.

In the last two years, there has been no engagement between the Company and us. Apart from normal professional fees payable to us in connection with this appointment of us as Independent Financial Adviser for the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap), no other arrangement exists whereby Pelican Financial Limited will receive any fees or benefits from the Company or the Directors, chief executive or substantial shareholders of the Company or any of their respective associates. As at the Latest Practicable Date, there were no relationships or interests between us and the Group, Anhui Tech

Import & Export or any of their respective substantial shareholders, directors or chief executives, or their respective associates that could reasonably be regarded as a hindrance to our independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser. Accordingly, we consider that we are eligible to give independent advice on the Supplemental Agreement and the transactions contemplated thereunder, including the Revised Annual Cap.

Our role is to provide you with our independent opinion and recommendation as to whether the Supplemental Agreement and the transactions contemplated thereunder, including the Revised Annual Cap are (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better, are fair and reasonable so far as the Shareholders are concerned; (iii) whether they are in the interests of the Company and the Shareholders as a whole; and (iv) how the Shareholders should vote in respect of the relevant resolutions regarding the Supplemental Agreement and the Revised Annual Cap at the EGM.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have performed relevant procedures and those steps which we deemed necessary in forming our opinions which include, among other things, review of relevant agreements, documents as well as information provided by the Company and verified them, to an extent, to the relevant public information, statistics and market data, the relevant industry guidelines and rules and regulations as well as information, facts and representations provided, and the opinions expressed, by the Company and/or the Directors and/or the management of the Group. The documents reviewed include, but are not limited to, the Export Sales and Services Framework Agreement, the Supplemental Agreement, the audited annual report for the year ended 31 December 2025 (the "**2025 Annual Report**"), the Announcement and the Circular. We have assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its management and/or the Directors, which have been provided to us.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent verification of the information included in the Circular and provided to us by the Directors and the management of the Group nor have we conducted any form of in-depth investigation into the business and affairs or the future prospects of the Group. The Company will notify the Independent Shareholders of any material changes after the Latest Practicable Date and after the dispatch of the Circular. The Independent Shareholders will also be notified of any material changes to such information provided and our opinion as soon as possible.

PRINCIPAL FACTORS TAKEN INTO CONSIDERATION

In formulating our opinion in respect of the Supplemental Agreement and the transactions contemplated thereunder (the "**Export Transactions**"), and the Revised Annual Cap, we have considered the following principal factors and reasons.

1. Background information of the Parties

1.1. The Group

The Group is a fine chemical materials supplier which produces and sells cement admixture, concrete admixture and their respective upstream raw materials. Leveraging the Company's research and development endeavours and capabilities, the Group also provides technical support to the customers relating to the products provided by it.

1.2. Anhui Tech Import & Export

Anhui Tech Import & Export is a licensed import and export company in the PRC and experienced in providing general import and export related services, which is held as to approximately 47.95% by Anhui International Trade Group (Holding) Co., Ltd.# (安徽國貿集團控股有限公司) in which Conch Holdings held approximately 55% as at the Latest Practicable Date.

To the best information and knowledge of the Directors, as at the Latest Practicable Date, the remaining 45% in Anhui International Trade Group (Holding) Co., Ltd.# (安徽國貿集團控股有限公司) was held as to 39.71% by Anhui Provincial State-owned Capital Operation Holdings Group Co., Ltd. (安徽省國有資本運營控股集團有限公司) and 5.29% by Anhui Provincial Department of Finance (安徽省財政廳), respectively.

2. Financial information of the Group

Set out below is a summary of the financial information of the Group for the two years ended 31 December 2025 as extracted from the 2025 Annual Report.

	For the financial year ended 31 December	
	2025	**2024**
	RMB'000	*RMB'000*
	(Audited)	(Audited)
Revenue by types of products		
— *Cement admixture and in-process intermediaries*	1,126,887	1,256,135
— *Concrete admixture and in-process intermediaries*	1,181,661	1,124,194
— *Others*	5,712	3,820
Total revenue	**2,314,260**	**2,384,149**
Gross profit	**420,172**	**459,680**
Profit for the year	**131,077**	**147,884**

According to the 2025 Annual Report, the Group recorded a revenue of approximately RMB2.3 billion for the year ended 31 December 2025, representing a slight decrease of approximately 2.9% from approximately RMB2.4 billion in 2024. According to the 2025 Annual Report, such decrease was the combined effect of (i) a decrease in revenue in cement admixture and in-process intermediaries of approximately 10.3%, mainly due to the sustained decline in market prices of raw materials, coupled with the reduction in total cement consumption, which impacted downstream product pricing and sales volume; (ii) an increase in revenue in concrete admixture and in-process intermediaries of approximately 5.1% mainly driven by the Group's efforts to develop customers for concrete admixture and in-process intermediaries, resulting in an expanded market share; and (iii) an increase of approximately 49.5% to RMB5.7 million in others, mainly due to the growth of quality coupling sheets business.

As a result, the gross profit reached approximately RMB420.2 million with a decrease of approximately 8.6% year-on-year and the profit for the year decreased by approximately 11.4% year-on-year to approximately RMB131.1 million for the year ended 31 December 2025.

3. Reasons for and benefits of entering into the Supplemental Agreement and the Revised Annual Cap

According to the Board Letter, Anhui Tech Import & Export was established in 1985 with more than 400 employees. It is a licensed and experienced import and export company in the PRC and experienced in providing general import and export related services with scale. Based on the information available on the website of Anhui Tech Import & Export as at the Latest Practicable Date, Anhui Tech Import & Export achieved a total import and export volume of US$1.2 billion and sales revenue of RMB12 billion in 2025. The Group and Anhui Tech Import & Export have cooperated for 3 years. In light of its experience, scale of operations, service capabilities and the established cooperative relationship between the Group and Anhui Tech Import & Export, the transactions contemplated under the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement could ensure a smooth clearance process for the Company's Products and provide timely services for delivery of the products to end customers in order to accommodate the operating needs of the Group, catering for day-to-day business and administrative schedule. The Group will in turn benefit from more organised, efficient and cost-effective export sales and services, which would enhance the market competitiveness and facilitates the plan to expand into the overseas market.

For sale of Products to Anhui Tech Import & Export, the terms are comparable to those offered to other Independent Third Parties, and where credit terms are provided for products sold, Anhui Tech Import & Export is with higher credibility than others taking into account of the related party relationship with the Group with long term history, which lowers the Group's credit risks of products which are ultimately sold to overseas markets.

For Export Services, the Group compares terms of the resale of products and export services with Independent Third Parties from time to time and it may at its discretion to opt for another service provider for similar services if the terms offered by Anhui Tech Import & Export are less favourable than those offered by the Independent Third Parties.

In addition to the Board Letter, we note that from the 2025 Annual Report, the Group adheres to a dual-drive strategy of "deep overseas localization" and "global trade", achieving results in its international business expansion. Overseas local operations and export trade (encompassing business realized through localized overseas operations, direct exports and agency exports) achieved a year-on-year growth of 129% in the financial year ended 31 December 2025, demonstrating a strong development trajectory. In terms of global trade, the Group leverages its domestic industrial chain and channel advantages to continuously expand its overseas market coverage. The Group successfully exported products to 35 countries, demonstrating efficient utilization of production capacity. As confirmed by the Directors, the Products sold by the Group under the Export Sales and Services Framework Agreement are the Group's existing products being sold in its ordinary course of business.

It is further noted from the 2025 Annual Report that the Group intends to continue expanding its international market presence by deepening channel construction, leveraging multi-channel trade exports and exploring high-demand regions, including the Middle East, North Africa and South America, with a view to absorbing domestic production capacity and expanding its international market share. As the transactions contemplated under the Export Sales and Services Framework Agreement involve the export sales of the Group's existing Products through Anhui Tech Import & Export, we consider that the entering into of the Supplemental Agreement and the Revised Annual Cap are consistent with the Group's overseas expansion strategy and export sales development plan.

According to the Board Letter, having considered the historical transaction amount generated during the six months ended 30 June 2026, the expected sales amount of the Products to be exported to overseas markets under the Export Sales and Services Framework Agreement based on the Company's judgement and communications with the ultimate overseas customers, and the recent increase in the number of ultimate overseas customers, it is expected that the total transaction amount under the Export Sales and Services Framework Agreement will exceed the Existing Annual Cap. Accordingly, the Company considers it necessary for the relevant parties to enter into the Supplemental Agreement to revise the Existing Annual Cap for FY2026.

Having considered the above, including, among other things, the nature of the Export Transactions, the Group's continuing overseas expansion strategy, the historical transaction amount for the six months ended 30 June 2026, and the expected increase in demand for the Products from ultimate overseas customers, we are of the view that (i) the Supplemental Agreement is entered into in the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the Revised Annual Cap is necessary for the Group to accommodate the expected transaction volume and to ensure the continued smooth operation of the transactions under the Export Sales and Services Framework Agreement for the remaining period up to the end of FY2026.

4. Principal terms of the Export Transactions

On 27 November 2025, the Company and Anhui Tech Import & Export entered into the Export Sales and Services Framework Agreement in respect of the Export Transactions. The Export Sales and Services Framework Agreement is a framework agreement which contains the principles, mechanisms and terms and conditions which the parties thereto are subject to in carrying out the continuing connected transactions contemplated thereunder. On 10 July 2026, the Company entered into the Supplemental Agreement with Anhui Tech Import & Export to revise the Existing Annual Cap for FY2026 under the Export Sales and Services Framework Agreement from RMB90 million to RMB180 million. The Supplemental Agreement is a supplement agreement to the Export Sales and Services Framework Agreement. Except to the extent expressly amended and supplemented by the Supplemental Agreement, all terms and conditions of the Export Sales and Services Framework Agreement shall remain the same. Accordingly, upon the Supplemental Agreement becoming effective (being the date on which the Independent Shareholders' approval in respect of the Supplemental Agreement is obtained), the Export Transactions for the remaining period of FY2026 will be subject to the terms and conditions of the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement.

The principal terms of the Export Sales and Services Framework Agreement are summarised below, details of which are set out in the Board Letter and the circular of the Company dated 15 December 2025.

Date	:	10 July 2026 (the Supplemental Agreement)
Parties	:	(i) The Company; and (ii) Anhui Tech Import & Export
Term	:	FY2026
Subject matter	:	Pursuant to the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement, the Group will export its products overseas through Anhui Tech Import & Export and Anhui Tech Import & Export will provide export services to the Group.
Pricing policy and basis of price determination	:	Resale of Products The settlement sum payable by Anhui Tech Import & Export for the resale of Products ("**Products Resale**") will be determined based on arm's length negotiation between the Group and Anhui Tech Import & Export, taking into account the sales contract sum for the products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on a fair basis.

The range of benchmark prices for intermediates products (alcohol amine, polyether monomers and polycarboxylic acid mother liquor for concrete admixtures), cement admixture products and concrete admixture products will be determined based on the market price of raw materials with reference to prices quoted by commodities information service providers, production costs, variation of different specification, the expected gross profit margin, product market dynamics, industry trends and inventory levels. Pricing for sale of intermediates products will be set weekly and submitted for approval by the head of sales department of the Company for implementation every Monday. Pricing for sale of cement admixture products and concrete admixture products will be set monthly for implementation on the first day of each month.

Export Services

The service fee for providing export services for the Products (the "**Export Services**") will be determined on arm's length basis with reference to prevailing market rates available from Independent Third Parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

Before entering into any transactions under the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will conduct research on the prevailing market rates of similar export services. The comparable conditions include: (i) the settlement currency shall be Renminbi; (ii) the export service provider shall bear ocean freight rate risks at its own cost; and (iii) the service provider shall complete payment for the products within the time frame stipulated in the relevant agreement and shall bear the credit risks associated with the end customers at its own costs.

Before entering into any transactions in relation to the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its Products sold will make reference to the pricing and terms between the Group and Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

Our assessment of the principal terms

Save for the Revised Annual Cap, the terms of the Export Sales and Services Framework Agreement remain unchanged. Accordingly, in assessing the fairness and reasonableness of the terms, we have proceeded on the basis that the only amendment to the Export Sales and Services Framework Agreement relates to the Revised Annual Cap, while all other terms remain unchanged.

On this basis, our assessment focused primarily on (i) whether the existing terms under the Export Sales and Services Framework Agreement have continued to be properly implemented; and (ii) whether the basis for the Revised Annual Cap is fair and reasonable. To assess the fairness and reasonableness of the terms of the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement, we have reviewed the major terms thereof and discussed with the management of the Company the background and rationale for entering into the Supplemental Agreement.

Pursuant to the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement, the Company may, at its absolute discretion, conduct Products Resale and Export Services. We consider that such discretionary arrangement provides flexibility to the Group, as the Group is not obligated or bound to sell Products to or adopt services from Anhui Tech Import & Export.

In evaluating the fairness and reasonableness of the pricing policy and terms, we have discussed with the management the internal control measures and price determination mechanisms implemented by the Group. As stipulated in the Export Sales and Services Framework Agreement, the terms of each individual agreement shall be agreed based on normal commercial terms after arm's length negotiations. In determining whether the terms are no less favourable than those offered by Independent Third Parties, the Group will actively take into account all relevant market factors, including fair market price ranges and pricing terms of products of identical or comparable specifications and quality available in the market at the relevant time. As confirmed by the management of the Group, subject to the above pricing basis, the Export Transactions will be conducted in line with the pricing method and procedures adopted by the Group under the current practice in the Export Sales and Services Framework Agreement.

We have also discussed with the management of the Group on (i) the pricing method and procedures adopted by the Group under the current practice that it will follow to determine the prices of the Export Transactions; (ii) the key pricing components and factors considered in determining the actual price of the Products; and (iii) the process for estimating and approving the prices for Products.

It is noted that the Group has principally taken into account (i) the sales quantity and types of Products required by the relevant overseas customers; (ii) the market rates of the relevant Products; (iii) the selling prices of Products to the Independent Third Parties; and (iv) the service fees for Export Services charged by Independent Third Parties. In order to verify the practical implementation of the pricing policy in respect of the Product, we have obtained and reviewed, (a) the breakdown of sales amounts by overseas customers for the Products sold or to be sold to Anhui Tech Import & Export; (b) three sets of sales orders for the Products under the Export Sales and Services Framework Agreement entered into between the Group and Anhui Tech Import & Export during the six months ended 30 June 2026; and (c) three sets of sales orders for the same Products entered into between the Group and Independent Third Parties during the same period. They were selected on a random basis for the purpose of assessing the implementation of the pricing policy as stipulated in the Export Sales and Services Framework Agreement. Given that the selected samples were chosen on a random basis and spread evenly across the six months ended 30 June 2026, we consider the selected samples to be sufficient, representative and comparable for assessing the fairness and reasonableness of the pricing policy. Based on the foregoing, we note that and are satisfied that the pricing methodology is based on prevailing market rates and other relevant commercial factors, and that the Group's internal procedures ensure that the price for Products Resale and Export Services is fair and reasonable and in the interests of the Group.

Furthermore, we note that the Group has undertaken to keep full and accurate books and records relating to the Export Transactions and allow auditors engaged by the Company to have full access to such records for inspection. We consider that this reporting and oversight framework safeguards the interests of the Company by ensuring strict compliance with the Listing Rules and providing a transparent mechanism for the independent non-executive Directors and auditors to perform their annual reviews.

In light of the above, and taking into account our review of the internal control measures and pricing policy adopted by the Group (as discussed in the below section headed "6. Internal control procedures and pricing policy" of this letter), we are of the view that the terms of the

Supplemental Agreement are on normal commercial terms, entered into in the ordinary and usual course of business of the Group, and fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

5. Revised Annual Cap

The following table sets out the historical transaction amount derived from the Export Sales and Services Framework Agreement (the "**Historical Transaction Amount**") for the period from 1 January 2026 to 30 June 2026, the Existing Annual Cap and its utilisation rate as of 30 June 2026 and the Revised Annual Cap.

	Historical Transaction Amount for the period from 1 January 2026 to 30 June 2026	Existing Annual Cap	Revised Annual Cap
		For FY2026	
Products sold to Anhui Tech Import & Export	approximately RMB70,400,000	RMB90,000,000	RMB180,000,000
Utilisation rate	—	approximately 78.2%	—

5.1. The Historical Transaction Amount

The Historical Transaction Amount was approximately RMB70.4 million for the six months ended 30 June 2026, representing approximately 78.2% of the Existing Annual Cap for FY2026. The transaction amount of the period from 1 January 2026 to the Latest Practicable Date did not exceed the Existing Annual Cap, and it is expected that the transaction amount for the period from 1 January 2026 to the date of EGM will not exceed the Existing Annual Cap.

5.2. Basis for determining the Revised Annual Cap

The Revised Annual Cap for FY2026 is RMB180 million. The Directors confirmed that such increase is in line with the expected growth of the Group's export business estimated by the management of the Group for the remaining period of the Export Sales and Services Framework Agreement, and that the Revised Annual Cap was principally determined based on the following factors and assumptions:

— the Historical Transaction Amount of approximately RMB70.4 million for the six months ended 30 June 2026, representing approximately 78.2% of the Existing Annual Cap;

— the expected sales amount of the Products to be exported to overseas markets where,

- a total of approximately RMB104.5 million for existing ultimate overseas customers in markets including but not limited to France, Switzerland, Taiwan, Turkey, Saudi Arabia and Uzbekistan for the remaining of FY2026, after taking into account (a) the Historical Transaction Amount of approximately RMB70.4 million; and (b) the expected steady growth in orders from existing ultimate overseas customers in FY2026;

- a total of approximately RMB4.0 million for two new ultimate overseas customers in Turkey and Vietnam for FY2026;

- a buffer of approximately RMB1.1 million for covering unexpected increase in demand from existing and new customers for FY2026; and

— the assumption that there will be no other material changes to (a) the general socio-economic environment of the PRC and the locations of potential overseas customers; and (b) the expected demand for existing and new overseas customers for FY2026.

— The Company expects that the general socio-economic environment of the PRC will exhibit the following characteristic: the economy will maintain steady progress with continued improvement; the modernization of the industrial system will advance incrementally; infrastructure capacity will be steadily enhanced; urban-rural and regional development will become more balanced; and investment in scientific research and innovation will remain stable, with tangible progress being achieved.

5.3. Our analysis

The Revised Annual Cap under the Supplemental Agreement is set at RMB180 million for FY2026. In our assessment of the fairness and reasonableness of the Revised Annual Cap, we have obtained and reviewed the sales schedule prepared by the Group, which set out the estimated sales amount of Products in respect of the Export Transactions for FY2026, as well as the Group's actual sales amount of Products sold to Anhui Tech Import & Export for the six months ended 30 June 2026, which shows the historical transactions with each overseas customer under the Export Sales and Services Framework Agreement.

As stated in the 2025 Annual Report, the rise of infrastructure booms in overseas regions has presented new incremental market opportunities for domestic admixture enterprises. Based on our discussion with the management of the Group regarding the foregoing, we understand that the expected increase in overseas demand is attributable to, among other factors, the increased sales contribution from major overseas customers, successful overseas market penetration, and strong market recognition in overseas markets. It is also noted that the Group is actively responding to the Belt and Road Initiative, and has been continuously exploring and investing in overseas operations, as some countries along the Belt and Road Initiative may require the Group's capabilities in their infrastructure and economic development. The expansion of the aforesaid overseas business is expected to further enhance the competitiveness of the Group. In 2024, the global construction chemicals market size was USD67.61 billion. The market is expected to grow at a compound annual growth rate (CAGR) of 3.8% from 2025 to 2030[1]. It is also mentioned that the rise in demand for construction chemicals is due to rapid urbanization and industrialization in emerging economies.

Based on our independent work done and discussion with the management of the Company on the underlying bases and assumptions adopted in arriving at the Revised Annual Cap, it is noted that the Directors have principally taken into account, among other things, the actual sales performance of the relevant customer groups during the six months ended 30 June 2026 and the expected sales demand for the second half of FY2026. In particular, (i) the actual sales of Products sold to Anhui Tech Import & Export for existing overseas customers with whom the Group had commenced business before FY2026 represented approximately 69.0% of the estimated sales for such customer group for FY2026; (ii) the actual sales amount for overseas customers who were expected by the Group in 2025 to be developed via Anhui Tech Import & Export in FY2026 and had already commenced business with the Group during the six months ended 30 June 2026 represented approximately 139.2% of the estimated sales amount for the said group of customers for FY2026; and (iii) the actual sales of approximately RMB2.0 million were recorded from newly developed customers during the six months ended 30 June 2026, which were not included in the Group's original sales estimate prepared in 2025. Such actual sales performance indicates that the estimated sales amounts for certain customer groups had already been substantially utilised in the first half of FY2026. Based on the Group's communications with the relevant overseas customers, it is expected that the sales demand in the second half of FY2026 would be broadly comparable to, or exceed, the level recorded in the first half of FY2026, together with additional demand from newly developed and/or potential overseas customers. In arriving at the Revised Annual Cap, the Directors have also taken into account (iv) the historical prices of Products offered by the Group to Independent Third Parties; (v) the communications with the ultimate overseas customers on the expected sales amount of the Products; and (vi) the Group's production capacity for Products.

[1] Please refer to the market research report issued by Grand View Research, a U.S. based market research and consulting company, registered in the State of California and headquartered in San Francisco, available at **https://www.grandviewresearch.com/industry-analysis/construction-chemicals-market**

The transactions relating to the Export Services provided by Anhui Tech Import & Export are different in nature from the Products Resale under the Export Sales and Services Framework Agreement. The expected fees for Export Services for FY2026 are below HK$3 million and should be fully exempted pursuant to Rule 14A.76(1) of the Listing Rule. The information regarding the transactions relating to Export Services is disclosed herein for completeness and shareholders' information purposes only.

Based on the factors and reasons discussed above, in particular (1) the utilization level of the Existing Annual Cap stood at 78.2% as at 30 June 2026; (2) the current market conditions indicate a continuously increasing trend in demand for the Products; (3) the potential new overseas customers' intention orders expected to be received during FY2026; (4) the Company's current production capacity is sufficient to accommodate the demand from overseas customers; (5) the buffer amount of approximately RMB1.1 million accounts for less than 1% of the Revised Annual Cap; and (6) the fees for Export Services for FY2026 are expected to be no more than RMB400,000 which should be fully exempted pursuant to Rule 14A.76(1) of the Listing Rule, we concur with the view of the Directors that it is fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole to set the Revised Annual Cap at the proposed level.

6. Internal control procedures and pricing policy

According to the Board Letter, in order to safeguard the interests of the Company and the Shareholders, and to ensure that the Export Sales and Services Framework Agreement as amended and supplemented by the Supplemental Agreement and the transactions contemplated thereunder will be conducted on normal commercial terms and on terms no less favourable to the Group than those offered by Independent Third Parties, in addition to those disclosed above, the Company has also adopted the following general and specific internal control procedures and pricing policies:

6.1. Products Resale

The settlement sum payable by Anhui Tech Import & Export for the Products Resale will be determined based on arm's length negotiation between the Group and Anhui Tech Import & Export, taking into account of the sales contract sum for the Products to be exported, the pricing policies, the fair market price and the unit price of similar products being sold to other import and export providers under comparable conditions on fair basis.

The range of benchmark prices for intermediate products (alcohol amine, polyether monomers and polycarboxylic acid mother liquor for concrete admixtures), cement admixture products and concrete admixture products will be determined based on the market price of raw materials with reference to prices quoted by commodities information service providers, production costs, variation of different specification and the expected gross profit margin, product market dynamics, industry trends and inventory levels. Pricing for sale of intermediates products will be set weekly and submitted for approval by the head of sales department of the Company for implementation every Monday. Pricing for sale of cement admixture products and concrete admixture products will be set monthly for implementation on the first day of each month.

The actual prices of the Products normally align with abovementioned pricing policies. Pricing going beyond the range of benchmark prices (under or above the price range) in routine or periodically as mentioned above shall be approved by the pricing management committee.

The pricing management committee primarily consists of the head of the sales department, the finance department and the supply department of the Company as well as persons in charge of the relevant business. Transactions with pricing above the benchmark prices will be executed. In assessing the fairness and reasonableness of the pricing below the benchmark prices, the pricing management committee will evaluate among other factors, the shipment volume, the strategic significance of the transaction, and whether there remains certain room for profitability.

The person-in-charge of the sales department of the relevant subsidiaries engaging in the relevant sales, would be responsible for the monitoring whether the sales adhere to the prices set, and report to the head of sales of the Company monthly.

6.2. Export Services

The service fee for providing Export Services for the Products will be determined on arm's length basis with reference to prevailing market rates available from Independent Third Parties under comparable conditions, as well as the pricing and terms between the Group and the Independent Third Parties for similar services. Such service fee should be no less favourable than those offered by Anhui Tech Import & Export to any other third parties under comparable condition/other Independent Third Party suppliers to the Group, or the fair market price (whichever is more favourable).

Before entering into any transactions under the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will conduct research on the prevailing market rates of similar export services. The comparable conditions include: (i) the settlement currency shall be Renminbi; (ii) the export service provider shall bear ocean freight rate risks at its own cost; and (iii) the service provider shall complete payment for the products within the time frame stipulated in the relevant agreement and shall bear the credit risks associated with the end customers at its own costs.

Before entering into any transactions in relation to the Export Sales and Services Framework Agreement, the sales team of the relevant subsidiary of the Group who procure the export services for its products sold will make reference to the pricing and terms between the Group and the Independent Third Parties for similar services and conduct research on the prevailing market conditions and practices. As such, the unit price of various types of services should be on arm's length basis and at the fair market price.

Our assessment of internal control procedures and the pricing policy

In assessing the adequacy and effective implementation of the internal control measures and pricing policies described above, we have performed the following due diligence:

- reviewed the Export Sales and Services Framework Agreement, including the payment terms and pricing mechanisms set out therein;

- reviewed the breakdown of sales amounts by overseas customers for the Products sold or to be sold to Anhui Tech Import & Export;

- examined three sets of sales orders for the Products entered into between the Group and Anhui Tech Import & Export for the period of six months ended 30 June 2026, together with three sets of sales orders for the same Products entered into between the Group and Independent Third Parties during the same period, to verify adherence to arm's length negotiation principles and references to Independent Third Parties pricing or market rates;

- compared the observed pricing and terms in sample transactions against prevailing market benchmarks (where available) and comparable transactions with Independent Third Parties to assess fairness and reasonableness;

- reviewed three randomly selected records for the monthly monitoring of annual caps and connected transactions by the Company's finance department;

- reviewed the continuing connected transactions monitoring report submitted to the Company's audit committee to ensure the ongoing reviews of transaction amounts against the approved annual caps; and

- discussed with the management of the Group the implementation of the internal guidelines and the annual review processes.

Based on our review of the aforementioned documents and examination of the internal control system, in particular, our review of (i) three sets of sales orders for the Products entered into between the Group and Anhui Tech Import & Export during the six months ended 30 June 2026; (ii) three sets of sales orders for the same Products entered into between the Group and Independent Third Parties during the same period. The selected samples were selected on a random basis for the purpose of assessing the implementation of the pricing policy as stipulated in the Export Sales and Services Framework Agreement. Given that the selected samples were chosen on a random basis, and spread evenly across the six months ended 30 June 2026, we consider that the selected samples to be sufficient, representative and comparable for assessing the fairness and reasonableness of the pricing policy. Based on the foregoing, we are satisfied that the internal control procedures have been properly maintained by the Group and that the transactions were conducted on normal commercial terms, with reference to the prevailing market rates and on terms that are fair and reasonable and in the interests of the Group.

We note from the 2025 Annual Report that annual reviews of the continuing connected transactions have been conducted according to Chapter 14A of the Listing Rules, and that the independent non-executive Directors had reviewed and confirmed that the continuing connected transactions contemplated thereunder were entered into, among other things, (i) in the ordinary and usual course of the Group's business; (ii) in accordance with the respective agreements governing such transactions and on terms that were fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) either on normal commercial terms or terms no less favourable to the Group than those available from Independent Third Parties. The 2025 Annual Report also confirms that the Company's auditors had issued the relevant letters to the Company pursuant to Chapter 14A of the Listing Rules that the continuing connected transactions were conducted in accordance with their terms and that the proposed annual caps were not exceeded.

We are satisfied that the internal control measures and pricing policy are adequate and effective, based on the following:

(i) the existing transactions under the Export Sales and Services Framework Agreement have been conducted in accordance with the terms;

(ii) the pricing policies of the relevant Products are determined with reference to prevailing market prices, including commodities information service providers, production costs and variation of product specification, and any pricing outside the prescribed price range shall be subject to approval by the pricing management committee;

(iii) a monitoring system is in place to ensure that the annual cap is not exceeded;

(iv) the pricing and proposed annual cap shall be reviewed annually by the Group's auditors and the Company's independent non-executive Directors; and

(v) there is appropriate segregation of duties in the internal control procedures.

Based on this assessment, we are satisfied that the internal control measures and procedures are adequate and effective in ensuring that the Export Sales and Services Framework Agreement (as amended and supplemented by the Supplemental Agreement) and the transactions contemplated thereunder will be entered into on normal commercial terms and on terms which are comparable to, or no less favourable than, prevailing market prices and terms.

RECOMMENDATION

Having considered the principal factors and reasons discussed above, we are of the opinion that the Supplemental Agreement and the transactions contemplated thereunder (including the Revised Annual Cap) are (i) entered into in the ordinary and usual course of business of the Group; (ii) on normal commercial terms, fair and reasonable so far as the Shareholders are concerned; and (iii) in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, as well as the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the relevant resolutions regarding the Supplemental Agreement and the Revised Annual Cap at the EGM.

Yours faithfully,
For and on behalf of
Pelican Financial Limited
Charles Li*
Managing Director

For identification purpose only

• *Charles Li is a responsible person registered under the SFO to carry out Type 6 (advising on corporate finance) regulated activity for Pelican Financial Limited and has over 30 years of experience in the accounting and financial services industry.*

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURES OF INTERESTS

(i) Interests and Short Positions of Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, the following persons (other than a Director or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name	Capacity/Nature of interest	Class of Shares[(1)]	Number of Shares held[(1)]	Approximate percentage of shareholding in the class of Shares in issue[(1)] *(%)*	Approximate percentage of shareholding in Shares in issue[(1)] *(%)*
Conch Tech Innovation[(2)]	Beneficial owner	Domestic Shares	198,470,000 (L)	50.31	34.23
	Beneficial owner	H Shares	13,000,000 (L)	7.01	2.24
Conch Holdings[(2)]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue[1] (%)	Approximate percentage of shareholding in Shares in issue[1] (%)
Anhui Provincial Investment Group Holding Co., Ltd. (安徽省投資集團控股有限公司) ("**Anhui Investment Group**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Wuhu Conch Venture Industrial Company Limited (蕪湖海創實業有限責任公司) ("**Wuhu Conch Venture**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
China Conch Venture Holdings Limited (中國海螺創業控股有限公司) ("**Conch Venture**")[2]	Interest in controlled corporation	Domestic Shares	198,470,000 (L)	50.31	34.23
	Interest in controlled corporation	H Shares	13,000,000 (L)	7.01	2.24
Hubei Xintongling Equity Investment Co., Ltd. (湖北鑫統領股權投資有限公司) ("**Hubei Xintongling**")[3]	Beneficial owner	Domestic Shares	96,101,600 (L)	24.36	16.57
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Mr. Ming Jinlong (明金龍)[3]	Interest in controlled corporation	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest in controlled corporation	H Shares	8,698,400 (L)	4.69	1.50

Name	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue[1] (%)	Approximate percentage of shareholding in Shares in issue[1] (%)
Ms. Li Yang (李楊)[4]	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Ms. Feng Li (馮莉)[5]	Interest of Spouse	Domestic Shares	96,101,600 (L)	24.36	16.57
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Linyi Haihong New Material Technology Co., Ltd. (臨沂海宏新型材料科技有限公司) ("**Linyi Haihong**")[6]	Beneficial owner	Domestic Shares	64,661,600 (L)	16.39	11.15
	Beneficial owner	H Shares	8,698,400 (L)	4.69	1.50
Ms. Han Lili (韓麗利)[7]	Interest of Spouse	Domestic Shares	64,661,600 (L)	16.39	11.15
	Interest of Spouse	H Shares	8,698,400 (L)	4.69	1.50
Wuhu Artec Biotechnology Co., Ltd. (蕪湖阿泰克生物科技有限公司)	Beneficial owner	H Shares	17,675,000 (L)	9.53	3.05
Shenzhen Gaodeng Computer Technology Co., Ltd. (深圳高燈計算機科技有限公司)	Beneficial owner	H Shares	20,351,000 (L)	10.98	3.51
Anhui Shengchang Chemical Co., Ltd. (安徽盛昌化工有限公司)	Beneficial owner	H Shares	23,342,000 (L)	12.59	4.03
Gotion High-tech Co., Ltd. (國軒高科股份有限公司)	Beneficial owner	H Shares	17,543,000 (L)	9.46	3.03

Name	Capacity/Nature of interest	Class of Shares(1)	Number of Shares held(1)	Approximate percentage of shareholding in the class of Shares in issue(1) (%)	Approximate percentage of shareholding in Shares in issue(1) (%)
SCGC Capital Holding Company Limited	Beneficial owner	H Shares	15,703,000 (L)	8.47	2.71

Notes:

(1) As at the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.

(2) Conch Tech Innovation was wholly-owned by Conch Holdings, which was in turn held as to 51% by Anhui Investment Group and 49% by Wuhu Conch Venture, an independent third party. Anhui Investment Group was wholly-owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Anhui Province (安徽省人民政府國有資產監督管理委員會), while Wuhu Conch Venture was wholly-owned by Conch Venture (the shares of which are listed on the Main Board of the Stock Exchange (stock code: 586)) . By virtue of the SFO, Conch Holdings, Anhui Investment Group, Wuhu Conch Venture and Conch Venture are deemed to be interested in the Shares held by Conch Tech Innovation.

(3) Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo (馮方波), a non-executive Director, and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo and Mr. Ming Jinlong are deemed to be interested in the Shares held by Hubei Xintongling.

(4) Ms. Li Yang is the spouse of Mr. Feng Fangbo, a non-executive Director. By virtue of the SFO, Ms. Li Yang is deemed to be interested in the Shares in which Mr. Feng Fangbo is interested.

(5) Ms. Feng Li is the spouse of Mr. Ming Jinlong. By virtue of the SFO, Ms. Feng Li is deemed to be interested in the Shares in which Mr. Ming Jinlong is interested.

(6) Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi (趙洪義), a non-executive Director, and 12% by Mr. Chen Jun (陳軍) . By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.

(7) Ms. Han Lili is the spouse of Mr. Zhao Hongyi, a non-executive Director. By virtue of the SFO, Ms. Han Lili is deemed to be interested in the Shares in which Mr. Zhao Hongyi is interested.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other persons, other than the Directors and the chief executives of the Company, who had interests or short positions in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under Section 336 of the SFO.

(ii) Interests and Short Position of Each of the Directors and Chief Executives in Shares, Underlying Shares and Debentures

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

Name	Position	Capacity/Nature of interest	Class of Shares[1]	Number of Shares held[1]	Approximate percentage of shareholding in the class of Shares in issue[1] *(%)*	Approximate percentage of shareholding in Shares in issue[1] *(%)*
Mr. Feng Fangbo[2]	Non-executive Director	Interest in controlled corporations	Domestic Shares	96,101,600 (L)	24.36	16.57
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50
Mr. Zhao Hongyi[3]	Non-executive Director	Interest in controlled corporations	Domestic Shares	64,661,600 (L)	16.39	11.15
		Interest in controlled corporations	H Shares	8,698,400 (L)	4.69	1.50

Notes:

(1) As at the Latest Practicable Date, the total number of issued Shares of the Company was 579,894,000 Shares, comprising 394,523,200 Domestic Shares and 185,370,800 H Shares. The letter (L) refers to long position in the Shares.

(2) Hubei Xintongling was owned as to 60% by Mr. Feng Fangbo and 40% by Mr. Ming Jinlong. By virtue of the SFO, Mr. Feng Fangbo is deemed to be interested in the Shares held by Hubei Xintongling.

(3) Linyi Haihong was owned as to 88% by Mr. Zhao Hongyi and 12% by Mr. Chen Jun. By virtue of the SFO, Mr. Zhao Hongyi is deemed to be interested in the Shares held by Linyi Haihong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) that was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or required to be recorded in the register required to be kept by the Company under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or was proposing to enter into any service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

4. DIRECTORS' EMPLOYMENT WITH SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, to the knowledge of the Board, none of the Directors is a director or employee of a company which has an interest in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

5. COMPETING INTERESTS OF DIRECTORS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had interest in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTEREST IN ASSETS

Since 31 December 2025, being the date to which the latest published audited accounts of the Company were made up, until the Latest Practicable Date, none of the Directors or proposed Directors and their respective associates had or had proposed to acquire or dispose or lease any interest, direct or indirect, in any assets to any member of the Group.

7. DIRECTORS' INTEREST IN CONTRACTS

As at the Latest Practicable Date, there were no contract or arrangement subsisting in which a Director was materially interested and which was significant in relation to the business of the Group.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which is contained in this circular:

Name	Qualification
Pelican Financial Limited	A licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Pelican has given and has not withdrawn his written consent to the issue of this circular with the expert's statement included in the form and context in which it is included.

As at the Latest Practicable Date, Pelican was not beneficially interested in the share capital in any member of the Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of the Group.

As at the Latest Practicable Date, Pelican was not interested, directly or indirectly, in any assets which had since 31 December 2025 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group or which were proposed to be acquired or disposed of by or leased to any member of the Group.

9. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there were no material adverse changes in the financial or trading positions of the Company since 31 December 2025, the date to which the latest published audited financial statements of the Company were made up.

10. DOCUMENTS ON DISPLAY

Copy(ies) of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.conchmst.com) during the period of 14 days from the date of this circular:

(a) the Export Sales and Services Framework Agreement; and

(b) the Supplemental Agreement.

11. MISCELLANEOUS

(a) The registered office of the Company is situated at No. 1-301, Zone G, Jiangbei New Area Construction Headquarters in Tongjiang Avenue, Wuhu, Anhui Province.

(b) The joint company secretaries of the Company are Mr. Sun Huadong and Ms. Chan Hei.

(c) The principal place of business in Hong Kong is situated at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

12. LANGUAGE

In the event of inconsistency, the English text of this circular will prevail over the Chinese text.

Anhui Conch Material Technology Co., Ltd.
安徽海螺材料科技股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2560)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT extraordinary general meeting (the "**EGM**") of Anhui Conch Material Technology Co., Ltd. (the "**Company**") will be held at the Conference Room 206, Building B, No. 8 Fuzhou Road, Jiujiang District, Wuhu City, Anhui Province, the People's Republic of China (the "**PRC**") at 10 a.m. on Friday, 4 September 2026 for the purpose of considering and, if thought fit, approving the following resolution. Unless the context otherwise requires, terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 18 August 2026 .

ORDINARY RESOLUTION

1. To consider and approve the Supplemental Agreement with Anhui Tech Import & Export to revise the existing annual cap under the Export Sales and Services Framework Agreement to RMB180 million.

By order of the Board
Anhui Conch Material Technology Co., Ltd.
Jin Feng
Chairman of the Board and Non-executive Director

Anhui Province, the People's Republic of China
18 August 2026

Notes:

1. **CLOSURE OF REGISTER OF MEMBERS**

In order to determine the qualification of Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 1 September 2026 to Friday, 4 September 2026, during which period no transfer of Shares will be registered. In order for Shareholders to be eligible to attend and vote at the EGM, all completed share transfer forms together with the relevant share certificates shall be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of Shareholders of H shares), or the office of the Board of the Company, at No. 1-301, G

Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Shareholders of domestic shares) for registration not later than 4:30 p.m. Monday, 31 August 2026 . Shareholders whose names are listed on the register of members of the Company on Friday, 4 September 2026 are entitled to attend and vote at the EGM.

2. APPOINTMENT OF PROXY

Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote at the meeting on him/her behalf. A proxy need not be a Shareholder of the Company.

The proxy form shall be in writing and signed by the Shareholder or his/her attorney duly authorized in writing or, if the Shareholder is a corporate body, either executed under its common seal or signed by its legal representative, director or duly authorized attorney. If the proxy form is signed by the attorney of the Shareholder, the power of attorney or other authorization document authorizing the attorney to sign the proxy form must be notarized.

In order to be valid, the proxy form together with the notarized power of attorney or other authorization document (if any) should be lodged with the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (in respect of H Shareholders), or the Company's Board office, at No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China (in respect of Domestic Shareholders) not less than 24 hours before the scheduled time for holding of the EGM (i.e. before 10 a.m. on Thursday, 3 September 2026) or any adjournment thereof (as the case may be) . Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM if you so wish at the time.

3. APPOINTED CONTACT PERSON FOR THE MEETING

Contact Address: No. 1-301, G Zone, Jiangbei New District Construction Headquarters, 150 Meters South of Tongjiang Avenue, Wanjiang Jiangbei Emerging Industry Concentration Zone (except the Trusteeship Area), Wuhu City, Anhui Province, China

Contact Person: Mr. Sun Huadong

Contact Telephone: (86) 0553 8396352

Contact Email: hlkjgf_conch@163.com

4. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll.

5. OTHER MATTERS

The EGM is expected to last for approximately half a day. Shareholders (in person or by proxy) attending the EGM are responsible for their own transportation and accommodation expenses.

The details of the aforesaid resolution proposed at the EGM are set out in the circular of the Company dated 18 August 2026.

As at the date of this notice, the Board comprises Mr. Jin Feng as the chairman of the Board and non-executive Director; Mr. Chen Feng and Mr. Bai Lin as executive Directors; Mr. Feng Fangbo, Mr. Zhao Hongyi and Mr. Fan Haibin as non-executive Directors; and Mr. Li Jiang, Mr. Chen Jiemiao, Ms. Xu Xu and Ms. Zeng Xiangfei as independent non-executive Directors.